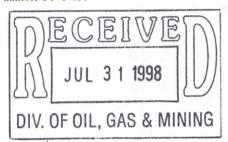
5/027/072



United States Department of the Interior

BUREAU OF LAND MANAGEMENT HOUSE RANGE/WARM SPRINGS RESOURCE AREA

35 East 500 North Fillmore, UT 84631





IN REPLY REFER TO: 3800 (U-055) UTU-075877 UTU-075878

July 29, 1998

DAVE PENNEY
PENNEY'S GEMSTONES
P O BOX 312
BEAVER UT 84713

Dear Mr. Penney:

Your notices to conduct mining related operations, located in SE¼ and the NE¼, Sec. 4, T. 25 S., R. 8 W, and SW¼, Sec. 24, and the W½ Sec. 25, T. 25 S., R. 19 W., SLBM, was received on July 8, 1998 and July 14, 1998, and has been accepted by this office. Your notices have been assigned case file numbers UTU-075877 and UTU-075878 respectively. Please use these numbers in any future correspondence concerning these notices.

If you change your operation from what is described in your notice, you are required to contact this office prior to the change. If your operation extends for more than one year, please advise this office on the status of your mining related activity on the anniversary date of your notice.

A copy of your notices have been sent to the Utah Division of Oil, Gas and Mining (UDOGM); therefore, you will not have to file these notices with them. A copy of your notices have also been sent to the Utah Department of Environmental Quality, Division of Water Quality (DWQ). DWQ should contact you concerning any permits you may need, however their failure to do so does not absolve you from responsibility for obtaining the same.

Also, all mining claimants and operators intending to use, store, or divert water are required by Utah and Federal statute to notify the following agencies:

Utah Department of Water Resources 1636 West North Temple Salt Lake City, Utah 84180-1203

and

U. S. Army Corps of Engineers Utah Regulatory Office 1403 South 600 West, Suite A Bountiful, Utah 84010

A permit for explosives may be required from the Bureau of Alcohol, Tobacco, and Firearms (ATF). The address for ATF is:

125 South State Street Salt Lake City, Utah 84145.

If ATF requires a permit, a copy of the permit should be submitted to this office.

You are required to report to this office, all hazardous materials associated with your operation along with information regarding their use, storage, transport, quantity, generation and disposal. Information regarding hazardous materials can be obtained from the State of Utah, Department of Environmental Quality, Division of Solid and Hazardous Waste at:

288 North 1460 West Salt Lake City, Utah 84114-4880

You are required to contact the Department of Environmental Quality (DEQ), Emergency Response Section (ERS) at the Sections 24-hour response number (801-536-4123) immediately of a spill or discharge of hazardous substances.

If you are selling any minerals extracted during your mining activities, the U.S. Department of Labor, Mine Safety and Health Administration (MSHA) may consider your operation to be under its jurisdiction. We recommend you contact them at:

USDOL Mine Safety and Health Administration 1745 West 1700 South Room 2040 Salt Lake City, UT 84104

As required by 43 CFR 3809, Surface Management Regulations, reasonable measures must be taken to prevent unnecessary or undue degradation of public lands and reclamation is required at the earliest feasible time. Please notify this office upon completion of operations and reclamation so an inspection may be conducted on the site. Reclamation under this notice is required to conform to the standards of the Utah Mined Land Reclamation Act.

Acceptance of your notice will not now, nor in the future, serve as a determination of the validity nor ownership of any mining claim included under your notice.

If you have any questions regarding this letter, please feel free to contact Larry Garahana at (435) 743-3125. Thank you for submitting your notice.

Sincerely,

Ron Teseneer Geologist

CC: D. Wayne Hedberg, UDOGM
 Kiran L. Bhayani, DWQ
 Jerry Reagan, Millard County Planning and Zoning (Millard County Notices)
 Bill Tanner, USDOL Mine Safety and Health Administration